



Department for Levelling Up, Housing & Communities

Mike Cunningham CBE QPM
Neil Gibson
Joanna Killian
Deborah McLaughlin

Rt Hon Michael Gove MP
*Secretary of State for Levelling Up, Housing and
Communities*
Minister for Intergovernmental Relations

***Department for Levelling Up, Housing and
Communities***

4th Floor, Fry Building
2 Marsham Street
London SW1P 4DF

Email: michael.gove@communities.gov.uk

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Dear Commissioners

LIVERPOOL CITY COUNCIL: FIRST COMMISSIONERS' REPORT

Thank you for meeting with me on 14 October to discuss your first report. It was helpful to hear about what you have found in your first three months working with Liverpool City Council. I fully endorse your account of progress to date and what is required going forward.

Your report is clear that the Council is facing significant challenges, not just in the specific functions identified in the statutory directions, namely highways, regeneration and property management functions, but also across the Council's corporate services and beyond. I note the progress Commissioners have made across their executive functions and welcome the additional legal assurances sought, particularly in regard to land transactions. I note that the Council is finalising a Strategic Improvement Plan to address the issues identified in the Best Value Inspection as well as the wider cultural, organisational and outcome priorities that are needed. It will enable the Commissioners to judge the Council's progress over the life of the Intervention.

We have agreed that you will submit your second report to me in April 2022 and that this will provide a commentary on the Council's broader service delivery and financial resilience, together with a progress report on their electoral reforms which are an essential part of the Intervention. I note the Council is managing an overspend for 2021/22 and has a sizeable budget gap for 2022/23 and that they also need to find more savings in subsequent years. In light of this, I welcome your appointment of CIPFA to undertake a review of the Council's financial position and note that there is an expectation that this review will be completed before Christmas. I ask that the review is shared with the Department as soon as possible ahead of the start of the 2022/23 financial year. It is imperative that the Council urgently puts in place a

robust Medium-Term Financial Strategy so that there is a clearer view of the financial challenges ahead and that it can support sustainable savings and transformation plans.

I am mindful of the recent terrorist incident which took place in Liverpool on 14 November and commend the Council for their response efforts. No one can doubt the professionalism and public service shown in the response by local government, the NHS and emergency services. I know that going forward, the Council will draw on the expertise of the Commissioner team as needed as the community pulls together from this event over the coming weeks and months. I am however clear that the parameters of the intervention have not changed, and I expect the Council to continue to prioritise the intervention and transformation work.

Lessons learned from previous interventions tell us that Commissioners play an important role supporting improvement across a whole council. As I said to you at our meeting, if there are any significant issues which you wish to draw to my attention before your next report, please do not hesitate to contact me.

In the meantime, if there is anything further that I can do to support you in this important work, then please do not hesitate to contact my officials.

With every good wish,

**Rt Hon Michael Gove MP
Secretary of State for Levelling Up, Housing and Communities
and Minister for Intergovernmental Relations**